

## II. Remarks

Reconsideration and allowance of the subject application are respectfully requested.

Claims 33-42 and 50-52 are pending in the application. Claim 33 is independent.

Applicants have added new dependent Claims 51-52 to afford themselves a scope of protection commensurate with the disclosure. The new claims are fully supported in the specification and Drawings, and are believed to be allowable for the reasons to be developed below.

Claims 33-42 and 50 were rejected as being unpatentable over Schneier and Pease, for the reasons discussed on pages 2-5 of the Office Action. Applicants respectfully traverse all art rejections.

Independent Claim 33 recites a novel combination of steps for a business process for creating a secure game contract over a network. A game contract agreement is generated by determining a game contract rule set, determining a set of game expectations for one or more game contracting parties, and determining potential game contract outcomes. Initial game conditions are received for game contract generation from the one or more game contracting parties. The game contract activity is carried out according to the game contract rule set

such that the one or more game contracting parties act in a synchronized manner according to the game contract rule set and the set of game expectations. A non-refutable game contract log is generated detailing all contract transactions. A theoretical game contract log is generated detailing expected game contract transactions based on the game contract rule set, the set of game expectations, and the game initial conditions. The game contract transactions recorded in the game contract log are verified by comparing the game contract transactions in the game contract log to the expected game contract transactions in the theoretical game contract log.

In contrast, none of the cited art (including Schneier and Pease) discloses or suggests such a combination of game contracting steps.

Schneier relates to computer device and method for encoding a message corresponding to an outcome of a computer game. In the Office Action, the Examiner alleges that Col. 40, line 59 through Col. 41, line 67 of Schneier discloses:

generating a non-refutable game contract log detailing expected game contract transactions based on the game contract rule set, the set of game expectations, and the game initial conditions (see Page 3, fourth full paragraph of the Office Action).

However, there is no claim element as recited above. Apparently, the Examiner has combined two claim elements together:

generating a non-refutable game  
contract log detailing all contract  
transactions;

generating a theoretical game  
contract log detailing expected game  
contract transactions based on the game  
contract rule set, the set of game  
expectations, and the game initial  
conditions; and

Neither Schneier nor Pease discloses or suggests the two claimed features disclosed above. The referenced Col. 40, line 59 through Col. 41, line 67 of Schneier discloses:

An entire tournament for a group of players may be held on a single game computer 14. In this connection, the game software 15 may have the capability to set up a tournament schedule for multiple head-to-head matches. Players purchase machine readable codes or messages that, when entered into the game computer 14, are employed by the game software 15 to direct the game computer 14 to set up the tournament. The tournament format may be "round robin," where each player plays everyone else in the group, a "Swiss system," where a limited number of rounds are established with the players having the best scores being matched against each other (i.e., an elimination protocol), or some other format well known in the art. All players competing in the tournament enter their name and player ID into the game computer 14. The game software 15 generates

the tournament schedule, and after each head-to-head match, records the outcome. At the conclusion of the tournament, a winner is declared and the tournament standings are printed on the computer display. The final outcome of the tournament may be certified by the central computer 12 utilizing any of the above-described protocols.

Alternatively, each head-to-head game outcome may be certified by the central computer 12 in the same fashion.

Computation of player ratings is implemented by the rating/ranking module 55 in the central computer 12 using known principles. Alternatively, ratings may be calculated on the player's game computer 14. These ratings are dependent upon past player and opponent performance and skill. For example, player "A" may have achieved 5 wins and 5 losses against relatively weak competitors, while player B has 3 wins and 20 losses against world-class competitors. This makes comparison between players difficult. The player's respective ratings take the relative skill of the competitors into account. Chess ratings are a good example. In accordance with well-known rating protocols, such as those developed by the statistician Dr. Arpad Elo, chess ratings range from 0 to 3000 with a mean of 1500. Every 200 points represent one standard deviation from the mean. Thus, a rating of 2100 represents three standard deviations above the mean. The larger the rating differential between the stronger player and the weaker player, the greater the probability of the stronger player winning the match. A player rated 200 points higher than another player, for example, may be expected to win 75 games out of 100, while a player rated 400 points higher than another may be expected to win 90 games out of 100. After each game, points are added to the winner's rating and subtracted from the

loser's rating. The number of points won or lost is dependent upon the rating differential. Therefore, defeating a "weaker" player in lieu of a "better" player causes relatively fewer points to be added to the winner's rating. The present invention provides for generating ratings for players of computer games. The player's new rating is calculated after the outcome of the head-to-head game is certified. An exemplary rating formula may be characterized as follows: Winner's new rating=old rating+(x\*rating difference)+y. If, for example, x=0.04 and y=16, and assuming a 2000 player beats a 1700 player, the 2000 player's new rating is computed as  $2000+(0.04*(-300))+16=2004$ . The loser's rating becomes 1696. If a 1300 player beats a 1500 player, the 1300 player's new rating becomes  $1300+(0.04*200)+16=1324$ . The loser's new rating becomes 1476. Thus, the greater the rating differential between players, the larger the rating changes after the games if the underdog wins. If the stronger player wins, his or her rating increases by a relatively smaller value. After new ratings are computed, the rating/ranking module directs the central computer 12 to update the player information database 48 and/or outcome database 50 to reflect the changes.

In any head-to-head embodiment, it is possible to equalize the playing conditions for players of differing ability by utilizing player handicaps to generate game initialization variables that provide the lesser rated player of the game with more lives, more ammunition and the like, or conversely, which reduce the number of lives, ammunition and the like for the higher rated player.

Nothing in this passage (or any other passage of Schneier) discloses or suggests the two claimed generating steps noted above. Accordingly, the salient claimed features of the present invention are nowhere disclosed or suggested by Schneier.

In the Office Action, the Examiner admits that Schneier fails to disclose the claimed step of:

verifying the game contract transactions as recorded in the game contract log by comparing the game contract transactions in the game contract log to the expected game contract transactions in the theoretical game contract log.

However, the Examiner alleges that this feature is disclosed at Fig. 4 and Col. 4, lines 34-64 of Pease:

A further object of the present invention is to provide an integrated secure casino gaming system with a central game controller that controls operation of a game of chance and maintains player accounts, which associates with critical files control words depending on the data contents of the critical files, and which checks the critical files at intervals to ensure that the control words are appropriate given the contents of the files, thus preventing unauthorized tampering with the critical files.

Another object of the present invention is to provide an integrated secure casino gaming system with a central game controller

that controls operation of a game of chance and maintains player accounts, wherein modified checksums are associated with critical files and the validity of the checksums for such files is checked at intervals during system operation.

A further object of the present invention is to provide an integrated secure casino gaming system with a central game controller that controls operation of a game of chance and maintains player accounts using a double entry bookkeeping system.

Yet another object of the present invention is to provide an integrated secure casino gaming system with a central game controller that controls operation of a game of chance and maintains player accounts, wherein a double entry bookkeeping system is used to maintain player accounts such that the total of a group of accounts in the system is maintained at a constant value, with the group of accounts being totaled at intervals during operation of the system to detect any tampering with account data.

Respectfully, there is nothing in this passage (or any other passage) of Pease which discloses or suggests verifying the game contract transactions as recorded in the game contract log ***by comparing the game contract transactions in the game contract log to the expected game contract transactions in the theoretical game contract log.*** Pease's discussion of verification is of the game software/code via checksum or hash word, not the game play. The double entry bookkeeping is there for monitoring player accounts, not ensuring fair/secure game

play. Reference is clearly made to critical files and checking that the game system software is valid. Accordingly, the salient claimed features of the present invention are nowhere disclosed or suggested by Pease.

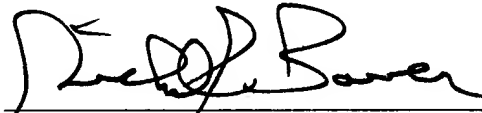
Lastly, Applicants respectfully traverse the combination of Schneider and Pease on the ground that no convincing motivation has been shown on the record for combining these disparate systems.

In view of the above amendments and remarks, it is believed that this application is now in condition for allowance, and a Notice thereof is respectfully requested.



Applicants' undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 625-3507. All correspondence should continue to be directed to our address given below.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard P. Bauer", written over a horizontal line.

Attorney for Applicants  
Richard P. Bauer  
Registration No. 31,588

Patent Administrator  
KATTEN MUCHIN ROSENMAN LLP  
525 West Monroe Street  
Chicago, Illinois 60661-3693  
Facsimile: (312) 902-1061